

SENATE AMENDMENTS

2nd Printing

By: Patrick

H.B. No. 2550

A BILL TO BE ENTITLED

AN ACT

relating to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter U, Chapter 51, Education Code, is amended by adding Section 51.810 to read as follows:

Sec. 51.810. HIGHER EDUCATION ASSISTANCE PLANS. (a) In this section:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Institution of higher education" and "private or independent institution of higher education" have the meanings assigned by Section 61.003.

(b) The institution of higher education in closest geographic proximity to a public high school in this state identified by the coordinating board for purposes of this section as substantially below the state average in the number of graduates who enroll in higher education institutions shall enter into an agreement with that high school to develop a plan to increase the number of students from that high school enrolling in higher education institutions. Under the plan, the institution shall:

(1) collaborate with the high school to:

1 (A) provide to prospective students information
2 related to enrollment in an institution of higher education or a
3 private or independent institution of higher education, including
4 admissions, testing, and financial aid information;

5 (B) assist those prospective students in
6 completing applications and testing related to enrollment in those
7 institutions, including admissions and financial aid applications,
8 and fulfilling testing requirements; and

9 (C) target efforts to increase the number of
10 Hispanic students and African American male students enrolled in
11 higher education institutions; and

12 (2) actively engage with local school districts to
13 provide access to rigorous, high-quality dual credit opportunities
14 for qualified high school students as needed.

15 (c) An institution of higher education must include a plan
16 developed by the institution under this section and the results of
17 that plan in its annual report to the coordinating board under
18 Section 51.4032.

19 (d) The coordinating board shall include in its annual
20 "Closing the Gaps" higher education plan progress report a summary
21 of the results of the plans developed and administered under this
22 section.

23 (e) The coordinating board may adopt rules to implement this
24 section.

25 SECTION 2. Sections 61.07622 and 61.088, Education Code,
26 are repealed.

27 SECTION 3. This Act takes effect September 1, 2013.

ADOPTED

FLOOR AMENDMENT NO. 1-

MAY 22 2013

Antony Spaw
Secretary of the Senate

BY:

Jane Nelson

Amend HB 2550 (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ Chapter 61, Education Code, is amended by adding Section 61.511 to read as follows:

Sec. 61.511. RESIDENT PHYSICIAN EXPANSION GRANT PROGRAM.

(a) The board shall administer the Resident Physician Expansion Grant Program as a competitive grant program to encourage the creation of new graduate medical education positions through community collaboration and innovative funding. The board shall award grants to physician residency programs at teaching hospitals and other appropriate health care entities according to the program criteria established under Subsections (b) and (i).

(b) The board shall establish criteria for the grant program in consultation with the executive commissioner of the Health and Human Services Commission, with one or more physicians, teaching hospitals, medical schools, independent physician residency programs, and with other persons considered appropriate by the board. The program criteria must:

(1) take into account the following factors:

(A) the characteristics of existing residency positions that receive state funding;

(B) current and projected physician workforce demographics; and

(C) state population trends and projections; and

(2) support the following goals:

(A) creating new residency positions, with an emphasis on creating new first-year residency positions, without

1 adversely affecting existing residency positions;

2 (B) maximizing local or federal matching funds;

3 (C) developing accredited physician residency
4 programs at hospitals that have not previously offered residency
5 programs; and

6 (D) increasing residency positions with respect
7 to:

8 (i) medical specialties having shortages in
9 this state; and

10 (ii) medically underserved areas in this
11 state.

12 (c) The board may provide grants only to support a
13 residency position that:

14 (1) is created and accredited on or after January 1,
15 2014; or

16 (2) was created and accredited before January 1,
17 2013, but as of that date had not yet been filled.

18 (d) A grant award may be used only to pay direct costs
19 associated with the position, including the salary of the
20 resident physician.

21 (e) Each grant application must specify:

22 (1) the number of residency positions expected to be
23 created with the grant money; and

24 (2) the grant amount requested for each year.

25 (f) The board shall award grants for all residency
26 positions awarded a grant under this section in the preceding
27 year before awarding a grant for a residency position that did
28 not receive a grant in the preceding year, provided that the
29 applicable grant recipient from the preceding year complies with
30 all conditions of the grant as described by Subsection (g).

31 (g) The board shall monitor physician residency programs

1 receiving grants as necessary to ensure compliance with the
2 grant program and shall require the return of any unused grant
3 money by, or shall decline to award additional grants to, a
4 residency program that receives a grant but fails to:

5 (1) create and fill, within a reasonable period, the
6 number of residency positions proposed in the program's grant
7 application; or

8 (2) satisfy any other conditions of the grant imposed
9 by the board.

10 (h) The board shall use money forfeited under Subsection
11 (g) to award grants to other eligible applicants. With respect
12 to the physician residency program forfeiting the grant, the
13 board may restore grant money or award additional grants, as
14 applicable, to the program as soon as practicable after the
15 program satisfies all conditions of the grant.

16 (i) The board shall adopt rules for the administration of
17 the grant program. The rules must include:

18 (1) administrative provisions governing:
19 (A) eligibility criteria for grant applicants;
20 (B) grant application procedures;
21 (C) guidelines relating to grant amounts;
22 (D) guidelines relating to the number of grants
23 to be awarded each year, subject to available funds;

24 (E) procedures for evaluating grant
25 applications; and

26 (F) procedures for monitoring the use of grants;

27 (2) methods for tracking the effectiveness of grants;
28 and

29 (3) any conditions relating to the receipt and use of
30 a grant as considered appropriate by the board.

31 (j) Not later than January 1 of each year, the board shall

1 prepare and submit to the governor, the lieutenant governor, the
2 speaker of the house of representatives, the standing committees
3 of the senate and house of representatives with responsibility
4 for oversight of health and human services issues, and the
5 Legislative Budget Board a report that:

6 (1) specifies each of the following with respect to
7 the preceding program year:

8 (A) the number of grants awarded under the
9 program;

10 (B) the amount of each grant awarded under the
11 program;

12 (C) the number of residency positions created
13 with the support of grant money;

14 (D) the medical specialty of the residency
15 positions created; and

16 (E) whether physicians who complete their
17 training through residency positions created under the program
18 choose to practice in this state and which medical specialties
19 they choose for their practices; and

20 (2) makes appropriate recommendations for legislative
21 changes as necessary.

22 SECTION ____. Subtitle A, Title 3, Education Code, is
23 amended by adding Chapter 58A to read as follows:

24 CHAPTER 58A. PROGRAMS SUPPORTING GRADUATE MEDICAL EDUCATION

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 58A.001. DEFINITION. In this chapter, "board" means
27 the Texas Higher Education Coordinating Board.

28 SUBCHAPTER B. GRADUATE MEDICAL EDUCATION

29 RESIDENCY EXPANSION

30 Sec. 58A.021. ADMINISTRATION. The board shall allocate
31 funds appropriated for purposes of this subchapter and may adopt

1 necessary rules regarding the allocation of those funds.

2 Sec. 58A.022. PLANNING GRANTS. (a) The board shall award
3 one-time planning grants to entities located in this state that:

4 (1) have never had a graduate medical education
5 program; and

6 (2) are eligible for Medicare funding of graduate
7 medical education.

8 (b) The board shall award planning grants on a competitive
9 basis according to criteria adopted by the board. The board
10 shall determine the number of grants awarded and the amount of
11 each grant consistent with any conditions provided by
12 legislative appropriation. A grant received under this section
13 must be used for the purpose of planning additional first-year
14 residency positions.

15 (c) An application for a planning grant for a state fiscal
16 year must be submitted to the board not later than July 15
17 preceding that fiscal year. Not later than August 15, the board
18 shall make decisions about grant awards for the following state
19 fiscal year.

20 (d) An entity that is awarded a planning grant and
21 establishes new first-year residency positions after receipt of
22 the grant is eligible for additional funds for each such
23 position established, as provided by appropriation.

24 Sec. 58A.023. GRANTS FOR UNFILLED RESIDENCY POSITIONS.

25 (a) The board shall award grants to graduate medical education
26 programs to enable those programs to fill accredited but
27 unfilled first-year residency positions. The board shall
28 determine the number of grants awarded and the amount of each
29 grant consistent with any conditions provided by legislative
30 appropriation.

31 (b) A grant received under this section must be expended

1 to support the direct resident costs to the program, including
2 the resident stipend and benefits.

3 (c) A grant application must include proof of the
4 accredited but unfilled positions to which the application
5 applies. An application for a grant must be submitted to the
6 board not later than October 1 preceding the period for which
7 the grant is made. The board shall make decisions about grant
8 awards not later than January 1 preceding the grant period.

9 (d) The board may distribute a grant amount for a
10 residency position only on receiving verification that the
11 applicable residency position has been filled.

12 (e) Grant amounts are awarded under this section for two
13 consecutive state fiscal years. For each first-year residency
14 position for which a program receives an initial grant amount in
15 a fiscal year, the board shall award the program an equal grant
16 amount for the following fiscal year.

17 Sec. 58A.024. GRANTS FOR PROGRAM EXPANSION OR NEW PROGRAM.

18 (a) The board shall award grants to enable existing graduate
19 medical education programs to increase the number of first-year
20 residency positions or to provide for the establishment of new
21 graduate medical education programs with first-year residency
22 positions. The board shall determine the number of grants
23 awarded and the amount of each grant consistent with any
24 conditions provided by legislative appropriation.

25 (b) A grant received under this section must be expended
26 to support the direct resident costs to the program, including
27 the resident stipend and benefits.

28 (c) A grant application must include a plan for receiving
29 accreditation for the increased number of positions or for the
30 new program, as applicable. An application for a grant must be
31 submitted to the board not later than October 1 preceding the

1 period for which the grant is made. The board shall make
2 decisions about grant awards not later than January 1 preceding
3 the grant period.

4 (d) The board may distribute a grant amount for a
5 residency position only on receiving verification that the
6 applicable residency position has been filled.

7 (e) Grant amounts are awarded under this section for three
8 consecutive state fiscal years. For each first-year residency
9 position for which a program receives an initial grant amount in
10 a fiscal year, the board shall award the program an equal grant
11 amount for the following two fiscal years.

12 Sec. 58A.025. PRIORITY GRANTS; ADJUSTMENT OF AMOUNTS. (a)
13 If the board determines that the number of first-year residency
14 positions proposed by eligible applicants under Sections 58A.023
15 and 58A.024 exceeds the number authorized by appropriation, in
16 awarding grants the board:

17 (1) may give priority for up to 50 percent of the
18 funded first-year residency positions to be in primary care or
19 other critical shortage areas in this state; and

20 (2) may not reduce grant amounts awarded per resident
21 position, but may proportionately reduce the number of positions
22 funded for each program.

23 (b) If the board determines that, based on applications
24 received, the entire appropriation will not be awarded for that
25 year for graduate medical education residency expansion under
26 Sections 58A.023 and 58A.024, the board may transfer and use the
27 funds for the purposes of Section 58A.022 and may adjust the
28 number of grants awarded under that section accordingly.

29 Sec. 58A.026. GRANTS FOR ADDITIONAL YEARS OF RESIDENCY.
30 (a) If the board determines that funds appropriated for
31 purposes of this subchapter are available after all eligible

1 grant applications under Sections 58A.022, 58A.023, and 58A.024
2 have been funded, the board shall award grants from excess funds
3 to support residents:

4 (1) who have completed at least three years of
5 residency; and

6 (2) whose residency program is in a field in which
7 this state has less than 80 percent of the national average of
8 physicians per 100,000 population, as determined by the board.

9 (b) Grants shall be awarded under this section in amounts,
10 in the number, and in the residency fields determined by the
11 board, subject to any conditions provided by legislative
12 appropriation. A grant received under this section must be
13 expended to support the direct resident costs to the program,
14 including the resident stipend and benefits.

15 (c) The board may distribute grant amounts only on
16 receiving verification that the applicable residency position
17 has been filled.

18 (d) The board may award grants under this section only
19 from funds appropriated for the state fiscal year beginning
20 September 1, 2016, or for a subsequent state fiscal year.

21 SUBCHAPTER C. PRIMARY CARE INNOVATION PROGRAM

22 Sec. 58A.051. PRIMARY CARE INNOVATION PROGRAM. Subject to
23 available funds, the board shall establish a grant program under
24 which the board awards incentive payments to medical schools
25 that administer innovative programs designed to increase the
26 number of primary care physicians in this state.

27 Sec. 58A.052. GIFTS, GRANTS, AND DONATIONS. In addition
28 to other money appropriated by the legislature, the board may
29 solicit, accept, and spend gifts, grants, and donations from any
30 public or private source for the purposes of the program
31 established under this subchapter.

1 Sec. 58A.053. RULES. In consultation with each medical
2 school in this state, the board shall adopt rules for the
3 administration of the program established under this subchapter.

4 The rules must include:

5 (1) administrative provisions relating to the
6 awarding of grants under this subchapter, such as:

7 (A) eligibility criteria for medical schools;

8 (B) grant application procedures;

9 (C) guidelines relating to grant amounts;

10 (D) procedures for evaluating grant
11 applications; and

12 (E) procedures for monitoring the use of grants;

13 and

14 (2) methods for tracking the effectiveness of grants
15 that:

16 (A) using data reasonably available to the
17 board, consider relevant information regarding the career paths
18 of medical school graduates during the four-year period
19 following their graduation; and

20 (B) evaluate whether and for how long those
21 graduates work in primary care in this state.

22 Sec. 58A.054. ADMINISTRATIVE COSTS. A reasonable amount,
23 not to exceed three percent, of any money appropriated for
24 purposes of this subchapter may be used by the board to pay the
25 costs of administering this subchapter.

26 SECTION _____. Section 61.532, Education Code, is amended to
27 read as follows:

28 Sec. 61.532. ELIGIBILITY. (a) To be eligible to receive
29 repayment assistance, a physician must:

30 (1) apply to the coordinating board;

31 (2) at the time of application, be licensed to

1 practice medicine under Subtitle B, Title 3, Occupations Code;

2 (3) have completed one, two, three, or four
3 consecutive years of practice;

4 (A) in a health professional shortage area
5 designated by the Department of State Health Services; or

6 (B) in accordance with Subsection (b), after
7 funds have been fully allocated for the program year to
8 physicians qualifying under Paragraph (A); and

9 (4) provide health care services to:

10 (A) recipients under the medical assistance
11 program authorized by Chapter 32, Human Resources Code;

12 (B) enrollees under the child health plan
13 program authorized by Chapter 62, Health and Safety Code; or

14 (C) persons committed to a secure correctional
15 facility operated by or under contract with the Texas Juvenile
16 Justice Department [~~Youth Commission~~] or persons confined in a
17 secure correctional facility operated by or under contract with
18 any division of the Texas Department of Criminal Justice.

19 (b) A physician may complete one or more years of practice
20 required by Subsection (a)(3) in a location other than a health
21 professional shortage area designated by the Department of State
22 Health Services if, during the applicable year or years, the
23 physician provides health care services to a designated number
24 of patients who are recipients under the medical assistance
25 program authorized by Chapter 32, Human Resources Code, or the
26 Texas Women's Health Program according to criteria established
27 by the board in consultation with the Health and Human Services
28 Commission. The Health and Human Services Commission shall
29 verify a physician's compliance with this subsection, and the
30 board and the commission shall enter into a memorandum of
31 understanding for that purpose.

1 (c) The board annually shall solicit and collect
2 information regarding the specific number of patients described
3 by Subsection (a)(4)(A) who are treated by each physician
4 receiving loan repayment assistance under this subchapter.

5 SECTION _____. Section 61.5391, Education Code, is amended
6 by amending Subsection (a) and adding Subsection (c) to read as
7 follows:

8 (a) The physician education loan repayment program account
9 is an account in the general revenue fund. The account is
10 composed of:

11 (1) gifts and grants contributed to the account;
12 (2) earnings on the principal of the account; and
13 (3) other amounts deposited to the credit of the
14 account, including:

15 (A) money deposited under Section 61.539(b) or
16 61.5392;

17 (B) legislative appropriations; and

18 (C) money deposited under Section 155.2415, Tax
19 Code.

20 (c) Money deposited to the credit of the account under
21 Section 61.5392 may be used only to provide loan repayment
22 assistance to physicians who establish eligibility for the
23 assistance under Section 61.532(a)(4)(A) or (b).

24 SECTION _____. Subchapter J, Chapter 61, Education Code, is
25 amended by adding Section 61.5392 to read as follows:

26 Sec. 61.5392. FEDERAL MATCHING FUNDS. (a) For the
27 purposes of this subchapter, the Health and Human Services
28 Commission shall seek any federal matching funds that are
29 available for the purposes of this section.

30 (b) Any amount received under Subsection (a) shall be
31 transferred to the comptroller to be deposited in the physician

1 education loan repayment program account established under
2 Section 61.5391. Section 403.095, Government Code, does not
3 apply to any amount deposited under this section.

4 SECTION _____. (a) As soon as practicable after the
5 effective date of this Act, the Texas Higher Education
6 Coordinating Board shall adopt rules for the implementation and
7 administration of the programs established under Chapter 58A,
8 Education Code, as added by this Act. The coordinating board
9 may adopt the initial rules in the manner provided by law for
10 emergency rules.

11 (b) Not later than October 1, 2013, the Texas Higher
12 Education Coordinating Board and the Health and Human Services
13 Commission shall enter into the memorandum of understanding
14 required by Subsection (b), Section 61.532, Education Code, as
15 added by this Act. As soon as practicable after the date of the
16 memorandum, the coordinating board shall begin awarding loan
17 repayment assistance to physicians who establish eligibility
18 under that subsection.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 23, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2550** by Patrick, Diane (Relating to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2550, As Passed 2nd House: a negative impact of (\$57,944,856) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$19,989,928)
2015	(\$37,954,928)
2016	(\$64,704,092)
2017	(\$83,264,092)
2018	(\$95,634,092)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Physician Ed. Loan Repayment</i> 5144
2014	(\$19,989,928)	\$0
2015	(\$37,954,928)	(\$3,125,000)
2016	(\$64,704,092)	(\$7,500,000)
2017	(\$83,264,092)	(\$13,125,000)
2018	(\$95,634,092)	(\$20,000,000)

Fiscal Year	Change in Number of State Employees from FY 2013
2014	2.0
2015	2.0
2016	3.0
2017	3.0
2018	3.0

Fiscal Analysis

The bill includes a provision relating to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education. The bill requires institution of higher education in closest geographic proximity to a public high school in the state identified by the Higher Education Coordinating Board as substantially below the state average in number of graduates who enroll in higher education institutions shall enter into an agreement with that high school to develop a plan to increase the number of students from that high school enrolling in higher education institutions.

The bill would require the Higher Education Coordinating Board (THECB) to establish the Resident Physician Expansion Grant Program. Under provisions of the bill, THECB would award grants to physician residency programs at teaching hospitals and other appropriate health care entities according to program criteria established in the bill. A grant award may be used only to pay direct costs associated with the position, including the salary of the resident position. THECB would provide grants only to support residency positions that are created and accredited on or after January 1, 2014 or were created and accredited before January 1, 2013, but as of that date had not yet been filled. THECB would be required to submit information regarding the program to the governor, lieutenant governor, the speaker of the house of representatives, the standing committee of the senate and house of representatives with responsibility for oversight of health and human services issues, and the Legislative Budget Board by January 1st of each year.

The bill would require the Higher Education Coordinating Board (THECB) to award certain grants to entities in the state for graduate medical education residency expansion. Under provisions of the bill, THECB would award one-time planning grants for entities that have never had a graduate medical education program and are eligible for Medicare funding of graduate medical education. The grants would be awarded on a competitive basis. The bill would require THECB to award grants for unfilled residency positions and for program expansion or new programs. These grants would have to be expended to support the direct resident costs to the program, including the resident stipend and benefits. The bill also includes provisions regarding the prioritizing of certain grants and would allow for grants for additional years of residency. THECB would determine the number of the grants awarded and the amount of each grant.

The bill would require THECB to establish the Primary Care Innovation Program. Under this program, THECB would award incentive payments to medical schools that develop innovative programs designed to increase the number of primary care physicians in the state. In addition to money appropriated by the legislature, THECB may accept gifts, grants and donations for the purpose of these programs and may use a reasonable amount, not to exceed three percent, to pay administrative costs.

The bill amends the Physician Education Loan Repayment Program to include physicians that provide health care services in a location other than a health professional shortage area to a

designated number of patients who are recipients under the medical assistance program authorized under Chapter 32 of the Human Resources Code or the Texas Woman's Health Program (TWHP) according to criteria established by the board in consultation with the Health and Human Services Commission (HHSC). Funds would be allocated to these eligible physicians after funds have been allocated to physicians qualifying under the current program. HHSC would need to develop policy and procedures for verifying the number of Medicaid and/or TWHP clients certain physicians have served and work with THECB to establish the number of Medicaid and TWHP recipients physicians need to see to receive funding and verify physicians meet the established criteria. The board would be required to enter an memorandum of understanding requiring this provision no later than October 1, 2013.

Methodology

For purposes of this fiscal note it is assumed, any costs associated with the consolidation of the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education would be absorbed within current resources.

Below is information regarding the remaining provisions of the bill. This fiscal note includes cost estimates for the Resident Physician Expansion Grant Program, the three Graduate Medical Education Residency Expansion Programs, including planning grants, and the Primary Care Innovation Program and estimates tied to changes to the Physician Education Loan Repayment Program

For costs associated with the planning grants, it is assumed that ten grants in the amount of \$150,000 per year would be awarded to eligible medical schools, teaching hospitals, and appropriated health care entities to investigate the costs and feasibility of developing accredited physician residency programs at hospitals that have not previously offered residency programs beginning in fiscal year 2014.

For costs associated with the grants for the remaining Graduate Medical Education Residency expansion programs and the Resident Physician Expansion Grant Program, it is assumed that there would be an entering cohort in each year to achieve a 1.1 to 1 ratio of Texas first-year entering positions to medical school graduates. Based on information provided by the Higher Education Coordinating Board (THECB), the programs will admit 220 resident physicians in Fiscal Year 2014, and will admit 339 resident physicians in fiscal year 2015. Beginning in fiscal year 2016 it is estimated 348 resident physicians would enter the program each year. For purposes of this fiscal note is assumed the award amount would be \$65,000 per year to cover costs associated with the Resident Physician Expansion Program and the Graduate Medical Education Residency expansion programs, which included resident stipend and benefits. Funding for each residency would be maintained for four years. Based on these assumptions costs associated with the program would be \$14.3 million (220 X \$65,000) in fiscal year 2014, \$36.3 million in fiscal year 2015 (339 X \$65,000 and 220 X \$65,000). The costs would increase to \$59.0 million in fiscal year 2016, \$81.6 million in fiscal year 2017 and \$89.9 million in fiscal year 2018.

For purposes of this fiscal note, it is assumed that four \$1 million, two year grants would be used to support the Primary Care Innovation Program. Costs associated with this program would be \$4 million in fiscal year 2014, 2016 and 2018.

It is assumed the changes to the Physician Education Loan Repayment Program, would allow 125 new participants in the program. This analysis was based on a similar program, the Children's

Medicaid Loan Repayment Program, which was last funded in the 2010-11 biennium. Based on the statutorily defined award amounts for the program of \$25,000 for the first year, \$35,000 for the second year and \$45,000 and \$55,000 respectively for the third and fourth year, there would be costs of \$3.1 million (125 X \$25,000) in fiscal year 2015 in general revenue-dedicated Fund 5144, Physician Education Loan Repayment Program Account. It is also assumed that these physicians would participate in the program for all four years. Beginning in fiscal year 2016, the costs would increase to \$7.5 million as a new cohort of 125 is added (\$3.1 million) and participants already in the program would receive awards of \$35,000 (\$4.4 million). The costs would increase as more cohorts are added and participants already in the program receive larger award amounts for the third and fourth year of service.

The cost to the Coordinating Board would be in the additional staff required to administer the new programs in the bill. One Program Director and one Administrative Assistant III would initially be required to implement and maintain the new programs, expanding to include a second Program Director in fiscal year 2016. The total cost for the two FTEs, including salary and benefits, is estimated to be \$119,928. Beginning in fiscal year 2016, the second program director would be required to administer, manage and monitor the grants. The total costs beginning in fiscal year 2016 for the three FTEs is \$189,092. There would also be \$50,000 in professional services in the first year of each biennium (2014, 2016 and 2018) associated with contracting with reviewers to evaluate grant proposals under the Primary Care Innovation Program and to hire out of state, nationally recognized experts in graduate medical education to help ensure that the programs are developed appropriately.

Technology

There would be one-time technology costs of \$20,000 or \$10,000 per FTE in fiscal year 2014 and a one time cost of \$10,000 associated with the second program director hired in fiscal year 2016.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 769 University of North Texas System Administration, 529 Health and Human Services Commission

LBB Staff: UP, KK, SK, GO, DEH, ES

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 16, 2013

TO: Honorable Kel Seliger, Chair, Senate Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2550 by Patrick, Diane (Relating to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill relates to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education. The bill requires institution of higher education in closest geographic proximity to a public high school in the state identified by the Higher Education Coordinating Board as substantially below the state average in number of graduates who enroll in higher education institutions shall enter into an agreement with that high school to develop a plan to increase the number of students from that high school enrolling in higher education institutions. Any costs associated with the bill would be absorbed within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: UP, KK, SK, GO

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 16, 2013

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2550 by Patrick, Diane (Relating to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill relates to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education. The bill requires institution of higher education in closest geographic proximity to a public high school in the state identified by the Higher Education Coordinating Board as substantially below the state average in number of graduates who enroll in higher education institutions shall enter into an agreement with that high school to develop a plan to increase the number of students from that high school enrolling in higher education institutions. Any costs associated with the bill would be absorbed within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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